



LEGAL ASSISTANCE FOUNDATION
OF METROPOLITAN CHICAGO
Civil Rights Investigations



CHICAGO URBAN LEAGUE
Department of Research and Planning



Racial Preference and Suburban Employment Opportunities

A Report on
“Matched-Pair”
Tests of
Chicago Area
Retailers

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April 2003

Current labor market trends in the Chicago area —

such as the decline of manufacturing, the growth in the retail and service sectors, and the shift of jobs from the City to the suburbs — mean that suburban retail and service firms offer important employment opportunities for urban low-wage workers. But for low-income urban Blacks, the location and skills “mismatches” created by these shifts can be exacerbated by racial barriers and preferences, particularly in jobs requiring public contact.

In an effort to understand the role of race in hiring more clearly, we conducted matched-pair testing of employment opportunities for Blacks in entry-level managerial positions in retail firms in the Chicago suburbs. Our Black and White job-seekers all had the appropriate qualifications and experience for the positions they sought, and none of them faced any transportation obstacles. Thus, our study made race, and not skills or space, the salient difference between Black and White job-seekers.

The quantitative and qualitative data gathered in our study demonstrated that employers show preferences for White job-seekers, even when spatial and skills mismatches are eliminated. When we sent resumes of qualified Black and White job applicants to employers who advertised positions, employers contacted nearly one-third of the White applicants for interviews, but only about one-fourth of the Black applicants — giving Whites a 21% higher chance of being contacted for an interview. When we sent matched pairs of Black and White women to apply for jobs in person, Whites received job offers 81% of the time, while Blacks received offers 70% of the time — giving Whites a 16% higher chance of getting a job offer. Moreover, when job offers specified the number of hours an employee would be needed, Whites were offered an average of 36 hours of work a week, while Blacks were offered only 28 hours. At the average wage paid by the employers we tested (\$8.86/hour), that translates into a pay difference of almost \$4,000 a year.

On the brighter side, we also found that, in more than half of the firms where our Black and White job-seekers applied in person, both the Black and the White applicant were offered jobs, and the offers were similar in terms of the level of the position and the rate of pay. Many of those firms were large retailers or part of national chains, which tended to have organized and formal hiring processes, involving multiple steps, standardized interview questions, and shared decision-making. The formalized hiring processes may have improved Blacks’ chances of receiving fair consideration, especially compared to processes that gave a single person the discretion to screen applicants in or out.

Consultation on study design and data analysis for the resume portion of our study was provided by Bernd Wittenbrink, Associate Professor, University of Chicago, Graduate School of Business, and Julia R. Henly, Assistant Professor, University of Chicago, School of Social Service Administration.



This is a report on the results of a 2-year study conducted by the Civil Rights Investigations Project of the Legal Assistance Foundation of Metropolitan Chicago (LAF), with technical and research assistance from the Chicago Urban League and social scientists at the University of Chicago. The study was funded by the Joyce Foundation.

The study arises out of the confluence of 3 major trends affecting employment opportunities for Black job-seekers. First, the 1996 changes in welfare law imposed strict time limits on cash benefits and strengthened the work requirements facing welfare recipients. The jobs welfare recipients typically find are in the low-skilled labor market, where pay is poor, benefits are minimal, and opportunities for advancement are limited. (Ehrenreich, 2001; Bernstein and Hartman, 2000.) People of color may have a particularly difficult time finding and keeping jobs in the post-welfare reform climate, as evidenced by the growing minority representation in welfare caseloads. (Allen and Kirby, 2000.)

The second major trend concerns structural changes in the American economy. Manufacturing jobs are disappearing, while jobs in the retail and service sectors are increasing. (Wilson, 1996.) Retail and service jobs typically pay less than manufacturing jobs, and retail employers may discriminate against Black applicants based on a perception that Blacks lack the “soft skills” the jobs require or that White customers are uncomfortable with Black employees. (Moss and Tilly, 1998; Holzer and Ihlanfeldt, 1996.)

The third major trend is the shift of jobs from the cities to the suburbs, which has created a “spatial mismatch” between Black job-seekers in the cities and employers with jobs to fill in the largely White suburbs. (Wilson, 1996.) For example, in the last decade the Chicago Metropolitan Area added nearly 500,000 jobs — but 98% of them were outside Chicago. Within the City, where only 10,000 jobs were added in the

1990s, 90% of them were located in zip codes that were more than 90% White. (Chicago Urban League, 2003.)¹

In this environment, skill and location gaps present significant obstacles to employment. But researchers are finding that race still plays a major — and perhaps increasing — role in the employment prospects of low-income minority job-seekers. (Moss and Tilly, 2001.) Data gathered for the Multi-City Study of Urban Inequality show that Black urban

workers are significantly underhired, even after controlling for job skill requirements and the racial make-up of applicant pools. (Holzer, 1996.)

We undertook this study to see how race, separated as much as possible from other factors, affected the employment prospects of Black and White women looking for entry-level managerial jobs in retail firms in Chicago suburbs. We attempted to eliminate the “skills” mismatch by giving our job

applicants high school degrees and previous sales experience. We attempted to eliminate the “spatial” mismatch by having our applicants drive their own cars to appointments and express their willingness to relocate for the right job. None of our applicants had family obligations, child care issues, or any other external constraints on their ability to work.

If race itself is a barrier to employment, then efforts to increase employment opportunities for Blacks must deal directly with race discrimination, rather than treat race solely as a factor that contributes to skills or spatial “mismatches.”

¹ Throughout this study, when we speak of jobs, job categories, or job growth, we are always talking about standard jobs, not temporary or contract work.

THE DESIGN OF THE STUDY



Our study had 3 distinct parts, each of which addressed the possibility of unequal treatment of Blacks and Whites in a different light.

- First, we used a resume-by-mail operation to examine how retail employers with advertised openings for entry-level managers responded to the resumes of qualified Black and White job-seekers.
- Second, we sent matched pairs of Black and White women to apply in person for advertised entry-level management jobs at suburban retail firms. Unlike the resume-by-mail operation, the in-person tests allowed us to follow Blacks and Whites through the job search process from start (application) to finish (offer or rejection).
- Finally, we examined the suburban retail employment climate from the customer point of view. We sent matched pairs of Black and White shoppers to the same retail establishments where the in-person tests had been conducted to see whether those firms treated their Black and White customers differently.

Sample rationale. We decided to study the employment practices of retailers in White suburban communities for 3 reasons. First, Chicago’s suburbs have been the areas of greatest job growth in the past 2 decades. (Wilson, 1996; Chicago Urban League, 2003.) Second, much of that job growth has been attributable to “White flight” from the City. (Wilson, 1996.) Third, planners think that inner-city Blacks will have to travel to the suburbs to find good-paying jobs that offer real possibilities for economic self-sufficiency. (*Id.*)

The Chicago Urban League’s Research Department selected 20 communities to be the focus of this study (Table 1), ranking them according to the following inter-related criteria: strength of job growth, number of retail jobs, Black and White population figures (Blacks below 5% and remaining population predominately White), length of commute to and from downtown Chicago, and number of retailers regularly advertising job openings.² The resume operation responded to advertised job openings in all 20 of these communities equally. For the more resource-intensive

in-person testing and the customer service tests, we focused on the first 12 suburbs in Table 1.

We selected the retail sector of the job market because it was growing rapidly and involved a high degree of interaction with the public. (Wilson, 1996; Holzer and Ihlanfeldt, 1996.) In addition, retail jobs pay more than the minimum wage, do not require specialized training or education, and offer at least the possibility of growth and advancement. Larger retailers also advertise open positions regularly. We focused on entry-level managerial positions because they are a step up the job ladder from sales associate jobs, which tend to have low pay and no benefits. While entry-level management positions often pay only a little more than associate jobs, they are the gateway to higher-paying, salaried positions such as assistant store manager and store manager, which typically include benefits packages and bonuses based on sales. In addition, entry-level management positions generally involve more protracted and varied contacts between job applicants and employers, and we were interested in seeing how matched-pair testing worked at that higher level of interaction.

We used female testers because, in previous resume testing we had done in the retail field, female resumes received a much higher response rate than male resumes. We had also noted in previous in-person testing that the vast majority of retail employees our testers encountered were female. It was our goal in this study to present employers with applicants who possessed the characteristics of the people they normally hire – not only in skills and experience, but also in gender and age – so that we could better measure the effects that introducing the variable of race would have.

² Thus communities with a large number of retail jobs but significant Black populations (e.g., Evanston, Aurora, Elgin, Joliet, Melrose Park, Chicago Heights, Calumet City, Harvey, Waukegan, and Lansing) were excluded. Crystal Lake was dropped because it was too far away from downtown Chicago. Hoffman Estates and Downers Grove were given a lower ranking than the number of retail jobs alone would warrant because of the small number of advertised job openings we saw during the research phase of our study.

Table 1: Suburbs Selected for Testing, with Rankings

Rank	Municipality	County	Number of Retail Jobs	Black Population (%)
1.....	Schaumburg.....	Cook.....	19,003.....	3.3
2.....	Naperville.....	DuPage.....	14,300.....	3.0
3.....	Oak Brook.....	DuPage.....	14,062.....	1.4
4.....	Orland Park.....	Cook.....	10,011.....	0.7
5.....	Niles.....	Cook.....	7,821.....	0.4
6.....	Arlington Heights.....	Cook.....	7,173.....	0.9
7.....	Skokie.....	Cook.....	7,076.....	4.4
8.....	Lombard.....	DuPage.....	6,678.....	2.7
9.....	Northbrook.....	Cook.....	6,397.....	0.6
10.....	Mt. Prospect.....	Cook.....	5,422.....	1.7
11.....	Oak Lawn.....	Cook.....	5,404.....	1.2
12.....	Bloomington.....	DuPage.....	5,252.....	2.5
13.....	Hoffman Estates.....	Cook.....	8,296.....	4.3
14.....	Downers Grove.....	DuPage.....	7,423.....	1.9
15.....	Rosemont.....	Cook.....	6,310.....	1.2
16.....	St. Charles.....	Kane.....	5,973.....	1.6
17.....	Vernon Hills.....	Lake.....	5,700.....	1.7
18.....	Palatine.....	Cook.....	5,607.....	2.1
19.....	Des Plaines.....	Cook.....	5,061.....	1.0
20.....	Elmhurst.....	DuPage.....	4,762.....	0.9

Scope of testing. For the resume part of the study, we mailed resumes and cover letters to every retail firm that advertised entry-level managerial positions, in newspapers or on the internet, anywhere in the 20 suburbs the Urban League researchers had identified for us. Toward the end of our study, we also mailed resumes and cover letters to employers who advertised comparable job openings in Chicago. For the in-person tests, we tested firms that advertised in newspapers or on web sites, or posted “Help Wanted” signs in store windows, in the 12 suburbs selected for this part of the study. Many of these were larger firms, and 89% of them were located in suburban shopping centers or malls. Our customer service tests were conducted at firms where in-person tests had been completed. A table showing the distribution, by suburb, of each type of test is found in Appendix 1.

Overview of the matched-pair testing approach. Matched-pair testing first developed as a civil rights enforcement tool in the fair housing context. Blacks and Whites with the same incomes, family sizes, and housing preferences were sent out (Black first, White second) to attempt to rent or buy homes. If the Black was told that an apartment had already been rented, and then the White was told that the same apartment was available, that was concrete evidence of racial discrimination. In the late 1970s and early 1980s, the U.S. Department of Housing and Urban Development conducted 3200 matched-pair tests in 40 cities, documenting the power of the tool for studying, illustrating, and attacking discrimination. The Supreme Court endorsed matched-pair testing, over the objections of landlords and realtors who claimed it was “fraudulent,” in *Havens Realty Corp. v. Coleman*, 455 U.S. 363 (1982).

Since then matched-pair testing has been used to document discrimination (on the basis of race, gender, age, disability, or national origin) in a variety of contexts: finding housing, applying for homeowner’s insurance and mortgage loans, staying in hotels, eating in restaurants, buying cars, shopping, hailing taxis, using self-service gas pumps, etc.

LAF was a pioneer in adapting matched-pair testing to the employment arena. It has conducted matched-pair testing of hiring in employment agencies, car dealerships, retail firms, and restaurants. It has tested for discrimination in the hiring of seasonal workers, truck driver trainees, delivery drivers, manual laborers, receptionists, and secretaries. LAF conducted a pilot project for the EEOC on women’s access to construction jobs in Houston. LAF also brought the lawsuit that established the right of testers to sue under Title VII for employment discrimination. *Kyles and Pierce v. J.K. Guardian Security Services, Inc.*, 222 F.3d 289 (7th Cir. 2000).

Unlike LAF’s previous matched-pair testing, this study was not based on a civil rights enforcement model, where testers are sent out to confirm or refute suspicions that a particular employer is engaging in discrimination. Instead, it was a field experiment, conducted in cooperation with researchers and social scientists. We selected the retailers we tested based on objective demographic criteria. In the area defined by those criteria, we tested all retailers with advertised job openings (the resume operation) or a subset of retailers with advertised job openings (the in-person tests, followed by the customer service tests).

Whether matched-pair testing is used for enforcement or research purposes, its unique power lies in its ability to bridge the gap between lived experience and research. “In a world in which stories are more powerful than studies, testing generates studies that are also stories.” (Bendick, 1998.) At a time when some employers (and others) insist that racial discrimination has been eradicated, matched-pair tests also “send a

powerful wake-up call: unlike standard statistical studies, they expose to public view the smoking gun of discrimination.” (Moss and Tilly, 2001.)

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THE RESULTS OF OUR STUDY – AN OVERVIEW



In this day and age, we did not expect to see many examples of overt racism in our study. We did see some. More commonly, however, we saw a series of actions, processes, and preferences that cumulatively created important disparities in employment opportunities for Black job-seekers.

- In the resume-by-mail operation, employers were 21% more likely to contact White job applicants for interviews than Blacks. In addition, employers were more persistent in their attempts to contact White applicants.
- In the in-person tests, employers were 16% more likely to offer jobs to Whites than Blacks, and (where both Blacks and Whites received offers) Whites were offered an average of 8 hours per week more of employment. Employers were more interested in White testers than in their Black counterparts throughout the hiring process, even though the Black testers always applied first and always had resumes that reflected somewhat stronger job-related qualifications. Blacks had to be more persistent and undergo more employer scrutiny to receive a job offer.
- In the customer service tests, the testers reported seeing very few Black customers or Black employees. Overall, the testers reported receiving similar levels of service when they came into the stores to shop. When they came back to return purchased items for a refund, Blacks were questioned more about why they wanted to make the return, offered less help in finding a more satisfactory item, and more often had a supervisory employee called in to approve their refund requests.

The results of our study are a mixture of good news and bad news. On the one hand, the disparate treatment reflected in our study is disturbing both intrinsically and because the study was so tightly controlled: the testers were all credible job applicants, who presented no skills or transportation problems. In the in-person tests, the Black testers always applied first and had better job-related skills than their White counterparts. Moreover, the testing (particularly the in-person testing) occurred in an economic climate when the demand for employees was strong. When jobs are scarcer, and urban

job-seekers face a range of real-world barriers (commuting problems, child-care constraints, educational deficits, and spotty work histories), Black job applicants are likely to experience more severe disadvantages than our Black testers did.

On the other hand, we saw only a few cases of overt discrimination, in which the treatment of the Black and White testers from the start was so strikingly different that the employer appeared to have no intention of considering the Black applicant at all.³ We attribute the relative rarity of such cases in part to the formalized hiring procedures of the larger retailers, in which applicants go through several stages of consideration by different people, who are often using standardized interview questions to evaluate the applicants. Even in those cases, employers still favored the White testers in less obvious ways. Of course, we have no way of knowing why some employers favored the White testers – whether they actually did not want Blacks working in their stores or whether more amorphous biases and stereotypes affected the way they interacted with and assessed the Black testers. All we can say for certain is that an employer preference for the White testers was not based either on the testers’ qualifications or their conduct in going through the hiring process.

Whether we view the glass as half-empty or half-full, these results suggest that any serious effort to move Black workers from poor jobs in low job-growth areas to better jobs in mostly White suburbs must address the employment barriers created by race.

³ For example, in 1 test, the store manager told the Black tester she had no time to interview any applicants that day, then turned and walked away. When the White tester arrived half an hour later, the same store manager interviewed her and offered her a job on the spot.

RESUME TESTS



The resume study employed a research design that crossed job applicant race with 3 levels of application quality in order to determine (a) whether employers showed a racial bias in their responses to Black and White applicants regardless of qualification level and (b) whether employer responses to Black and White applicants were dependent on the qualification level of the applicant.

We created 3 resumes, each with its own cover letter, for women seeking entry-level managerial positions in retail sales. Although each application was designed to present a candidate who was qualified for an entry-level retail management position, the applications reflected different levels of “hard skills” (years of experience, overall job responsibilities, and supervisory experience) and “soft skills” (attitude, motivation, interpersonal skills, etc.). Application 1 reflected that the applicant had good hard skills and good soft skills. Application 2 showed good hard skills and adequate soft skills. Application 3 showed adequate hard and soft skills. (All 3 applications are found in Appendix 2.)⁴

We also created 2 applicant names and addresses, intended to convey the race of the applicant. The White applicant was Laura Whittaker, with an address on Chicago’s predominantly White North Side. The Black applicant was Keisha Williams, with an address on Chicago’s predominantly Black South Side. We created an application of each skill type (1, 2, and 3) for Laura Whittaker, and an application of each skill type for Keisha Williams.

To insure that the applications correctly conveyed the intended information about the race and qualification levels of the applicants, we pre-tested them with students at the University of Chicago Graduate School of Business. This pre-test confirmed that readers of the resumes drew the correct inferences about the race of the applicants and the skill levels reflected in each type of application.

We then mailed a Keisha Williams application of one skill level, followed by a Laura Whittaker application of a different skill level, to each of 273 retail firms that advertised entry-level managerial jobs between the late fall of 2000 and the spring of 2002.⁵ In the 546 applications mailed out, the 3

skill levels were relatively evenly distributed across Black and White applicants (Table 2). The skill levels were manipulated to give the Black applicant an objective advantage half the time, and the White applicant an objective advantage half the time (Table 3).

Following the mailing of the applications, we tracked the responses of each employer, noting whether the employer followed up with the White applicant, the Black applicant, both applicants, or neither applicant. We also noted such factors as speed of response, reason for employer inquiry, and persistence of employer interest in an applicant. Employer responses were then analyzed to determine whether Black and White applicants received differential treatment on these measures. The statistical procedures used to analyze the data are described in Appendix 3.

Results. Of the 546 applications mailed out, 169 (31%) elicited at least 1 employer response. The majority of employer responses (59%) came within a week, although a noteworthy minority (14%) came more than 28 days after an application

4 We signaled good soft-skill levels by referring to customer service awards, using high-quality resume paper, and including a cover letter that portrayed the applicant as a motivated, collegial, congenial “go-getter.” Applicants with adequate soft skills lacked these indicia.

5 Of those 273 firms, 242 were located in the 20 suburbs selected at the outset of the study. By the fall of 2001, however, we had mailed applications to all the employers who regularly advertised job openings in our target suburbs. To increase our sample size, we therefore mailed applications to an additional 31 retail firms in Chicago. To account for this amended sample strategy, our analyses included location as an additional factor. Results show, however, that including 31 Chicago firms did not affect the reported findings in any significant way.

We recognized that the economic climate was changing in the course of our study (most dramatically after the terrorist attacks on September 11, 2001). We minimized the effect of that change by mailing applications only to employers who were, at the time of the mailing, actively advertising to fill entry-level managerial positions. (In our in-person employment tests, we also sent testers only to employers who were actively seeking to fill vacancies. Moreover, the in-person employment tests were completed by September 1, 2001.)

Table 2: Total Number of Cases by Test Condition

	Application 1 (good hard & soft skills)	Application 2 (good hard & adequate soft skills)	Application 3 (adequate hard & soft skills)
Black applicant	92 (49%)	93 (53%)	88 (48%)
White applicant.....	97 (51%)	82 (47%)	94 (52%)

Table 3: Skill Level Pairings

Applicant 1	Skill Level	Applicant 2	Skill Level	Expected Preference
Black.....	1	White.....	2	Black
Black.....	2	White.....	3	Black
Black.....	3	White.....	1	White
Black.....	1	White.....	3	Black
Black.....	2	White.....	1	White
Black.....	3	White.....	2	White

was sent. We found no evidence that employers responded more or less promptly to the applications of Black and White applicants.

Of the 169 employer contacts, 155 (92%) were telephone requests to schedule interviews. Our analyses revealed that employers were more likely to request interviews in response to the White applications than the Black applications. This finding was supported in 3 separate analyses. At the most general level, almost one-third of the White applications (31%) but only slightly more than one-fourth of the Black applications (26%) elicited interview requests. This difference in response rates represents a 21% higher chance for White applicants to be contacted, compared to their Black counterparts. Moreover, this differential employer response by race was statistically significant after the influence of applicant skill level (Application 1, 2, or 3) and employer location (Chicago vs. suburbs) were controlled in a multivariate logistic regression. Finally, considering only those cases where Black and White applicants were treated differently by an employer (e.g., ignoring cases where the White and the Black application both received interview requests and cases where neither the Black nor White applicant was contacted

for an interview), we again found evidence that the Whites received more favorable treatment. Specifically, the percentage of times that the White applicant received an interview request when the Black applicant did not (11%) was significantly higher than the percentage of times that the Black applicant received an interview request when the White applicant did not (6%). Thus, White applicants were almost 2 times more likely than Black applicants to receive favorable treatment.⁶

The multivariate analysis also revealed that, independent of applicant race, applicant skill level (but not employer’s geographic location) was related to the likelihood of receiving an interview request. Specifically, applications representing job-seekers with only adequate skills (Application 3) were viewed less favorably than those representing job-seekers with better skills (Applications 1 and 2). We expected to see this advantage for higher-skilled applicants, as it is consistent with a great deal of existing literature on the positive labor market

6 The logistic regression controlling for skills and geographic location revealed an odds ratio for race of 1.32, robust standard error = .17, p<.03; the McNemar ² test of symmetry comparing employers’ differential treatment favoring the White versus the Black applicants reveals a ² value of 4.79, p<.03.

returns on human capital.⁷ We found no evidence of an interaction between race and skill level or between employer location and race on the likelihood of receiving an interview request, suggesting that employers in our study responded to the information about an applicant’s race in a similar fashion across applicant qualification levels and regardless of the firm’s geographic location.

In addition to examining whether or not an interview was requested of the applicants, we also explored the intensity of the employers’ efforts to interview them. Of the 155 applications that elicited interview requests, 104 (67%) elicited only 1 such request, while 51 (33%) elicited 2 or more requests. Our multivariate analyses that considered the role of skill, race, and employer location found that applicant skill level and applicant race were associated with employer persistence (as measured by the number of requests for interviews).⁸ As with the request for interview variable, we again found no relationship between an employer’s location and the employer’s persistence in contacting job applicants, nor did we find any evidence of interactions between race and skill level or race and employer location on employer persistence.

In summary, the resume-by-mail operation demonstrated that qualified Black female applicants for entry-level managerial positions were significantly less likely to be contacted for an interview relative to qualified White female applicants by the retail employers contacted in this study. Moreover, employers pursued Black applicants less persistently than their White counterparts. The findings also revealed the continued importance of human capital credentials, independent of race, to retail employers seeking entry-level managers. Finally, the racial bias observed on the interview contact and persistence outcomes was not influenced by the skill level of the applicant. It is likely, however, that the absence of an observable interaction between race and skill level is attributable in large part to the fact that the 3 skill levels differed only in relatively subtle ways. A recent study, similar

in design to ours, offers additional support for this interpretation of our results. This study included a much larger number of different resumes with substantially more variation in applicant skills, and found that White applicants benefitted more than Black applicants from resumes reflecting higher qualifications. (Bertrand and Mullainathan, 2002.)

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7 Comparing Application 3 to all other applications revealed a significant effect of skill; however, the findings were somewhat mixed when Application 1 and Application 2 were disaggregated and compared individually to Application 3. Specifically, there was a sizable and significant effect of Application 2 compared to Application 3 on the likelihood of receiving an interview request (odds ratio = 1.62, robust standard error = .33, p<.02) but the comparable finding was smaller and not significant for Application 1 compared to Application 3 (odds ratio = 1.25, robust standard error = .26, ns). It is puzzling why we found a greater advantage to the middle qualified applicants unless, perhaps, employers are demonstrating some concerns about hiring “over-qualified” applicants.

8 The OLS regressions revealed the following Betas and significance levels for the race and skills coefficients: Race: =.09, p = .02; Skill 1: =.11, p =.06; Skill 2: =.15, p =.01.

IN - PERSON EMPLOYMENT TESTS



In our in-person employment testing, we sent matched pairs of applicants, 1 Black and 1 White, to retail firms to apply for advertised entry-level management positions. This phase of the study was designed to examine the process of getting a job more fully than the resume study allowed because it followed Black and White applicants not just as they submitted resumes, but as they interacted with the employer through the entire hiring process, all the way to a job offer or rejection.

We hired 4 young women as full-time testers (2 teams), all recent college graduates with strong academic and work backgrounds. The testers went through a month of intensive training, during which time they developed test identities and resumes, based as much as possible on their own real-life experiences, that showed them to be ideal and similarly qualified candidates for entry-level retail management positions. Their resumes mirrored those used for the resume-by-mail tests, except that, for the in-person tests, the Black tester’s resume always showed her to have somewhat stronger qualifications than her White counterpart (i.e., 6-9 months longer in the retail field, a promotion with some

managerial duties in her last job, and an award for sales and/or customer service). The resumes used by the 4 testers are found in Appendix 4. The testers learned their test identities well, and practiced interviewing, watching and critiquing one another’s performance, until both partners in each team were able to present themselves in a consistently confident and similar manner. They learned to follow the same procedures in the application and interview process, and to engage in the same types of follow-up efforts. The testers also underwent extensive training in how to report in full factual detail and in writing (without editorializing) on every contact with each employer, whether in person, by phone, or by letter.

From January to September 2001, the testers applied for jobs at 80 different retail establishments, ranging from large national chains to local firms, distributed throughout 12 of our targeted suburbs (Table 4). We also conducted a test of 1 firm in Chicago because the company held a regional job fair there.

We selected employers who had advertised positions in the newspaper, on the internet, or on signs in their store windows. In each case, the Black tester applied first, followed by the White tester (usually within 1-2 hours), and each pursued the job until the employer either offered her a job or rejected her. The testers did not actually accept any job offers, nor did they communicate with each other about their experiences. In fact, none of the testers knew how any of the other testers’ job searches had gone until the end of the 8-month testing period. LAF’s test managers monitored testers’ progress through each employer’s hiring process, directing follow-up efforts to ensure that the partners in each team pursued the

Table 4: Suburbs Tested In-Person

Municipality	Major Mall Serving Area	No. of Tests
Schaumburg	Woodfield Mall	18
Skokie.....	Old Orchard Center	11
Lombard	Yorktown Shopping Center	10
Oak Brook	Oak Brook Center	9
Northbrook.....	Northbrook Court Mall.....	6
Niles	Golf Mill Center	5
Naperville.....	Fox Valley Mall (Aurora).....	5
Orland Park	Orland Square Mall	4
Bloomington.....	Stratford Square Mall	3
Mount Prospect.....	Randhurst Mall	3
Oak Lawn	Chicago Ridge Mall.....	3
Arlington Heights	Town and Country Center	2
Chicago (region-wide job fair)		1

job in a similar and timely manner. They also reviewed the reports generated by the testers before data from those reports were entered into a specially designed database.

In 7 cases, the tests could not be completed — 4 of them because the employer checked into testers’ backgrounds far enough to discover that some details had been simulated, and 3 because the employer didn’t follow up on testers’ applications until after the testers had finished working for us. Our analysis is therefore based on data from 73 tests.

The testers also tested 14 firms a second time, in an effort to determine whether differential treatment favoring the White in the first test was repeated. We found that the results of the second tests mirrored many of the findings from our main data set. See Appendix 5.

The most important difference between the in-person tests and the resume tests is that the in-person tests were interactive and went on through multiple stages. They thus allow us to form a more nuanced picture of how hiring decisions get made than statistics alone permit — combining stories and studies in precisely the arresting fashion that characterizes this type of research. (Bendick, 1998.) Moreover, discrimination today manifests itself in much more subtle forms than “No Irish Need Apply,” and the in-person tests capture many of the small forms of favoritism, aversion, and stereotyped responses that affect employment outcomes for Black job-seekers. (Moss and Tilly, 2001.)

Results. The data we collected document the treatment of Black and White testers from the point of the initial visit, through the application and interview phases, until each tester received either a job offer or a rejection. The majority of employers who advertised jobs during the course of our study were large national retailers, many of whom had formalized hiring procedures with multiple steps, standardized interview questions, and several staff members involved in hiring decisions. Overall, our study found that, on several conventional indicators measured throughout the process, employers treated the Black and White testers similarly. This is good news in that it shows that many employers have

implemented practices that establish a foundation for fair treatment. That said, comparing the treatment of Black and White testers in detail through every interaction at each stage of the process demonstrated important differences – often subtle in form – in the way Black and White testers experienced the same hiring process. Our major findings for each stage of the hiring process, along with illustrative examples from specific tests, are summarized below.

- **The in-person tests capture many of the small forms of favoritism, aversion, and stereotyped responses that affect employment outcomes for Black job-seekers.**

The Initial Visit and Application

On their initial visit, testers were generally allowed to submit applications and leave resumes at similar rates, and left with similar information about next steps in the hiring process. But even at the initial visit, there was some evidence that the White tester was receiving more attention than the Black:

- White testers were given unsolicited information about the available job 34% of the time, whereas Black testers received such information only 18% of the time.
- White testers were asked questions about themselves (i.e., their skills, experience, availability, what type of job they were seeking) twice as often as their Black partners (30% vs. 15%).
- Blacks were told that they had to come back or call back later to submit an application 7% of the time, whereas Whites were told this only 1% of the time.

A visit made by 1 tester pair to a popular national retailer of women’s clothes illustrates how greater initial attention to the White applicant helped her land a better job more quickly.⁹

At 2.45 p.m., the Black tester entered the store and approached a sales associate, to whom she expressed her interest in applying for the position that had been advertised. As the sales associate gave her an application to complete, the tester asked if the associate knew what positions were open. The associate told the tester she would need to address any questions she had to Cathy, the co-manager. After completing the application, the tester found Cathy and gave it to her, along with her resume. Cathy asked her what had brought her to the store,

⁹ Here and throughout, we have identified no firms or employees by their real names. Quotation marks indicate that the tester is reporting the actual words said to her.

and was vague in responding to the tester’s questions about what positions were open, saying it was “hard to tell” because of the turnover rate. Cathy said she’d pass the application on to Karen, the sales manager, who would call the tester to arrange an interview.

Ten minutes after the Black tester left the store, her White test partner entered and was greeted by a sales associate. She said she was interested in the advertised job and was given an application. Upon completing it, she was approached by Ann, another co-manager, to whom she handed her application and resume. Ann looked it over and said the tester had “a lot of retail experience.” She proceeded to ask her what type of product she had sold at her last 2 jobs, responding, “That’s fantastic,” after each answer the tester gave her. As they talked, Cathy, the other co-manager, approached. Ann handed the tester’s materials to her and said Cathy should talk to her further. Looking at her resume, Cathy noted that the tester had lived in Champaign, Illinois, where she herself had once lived. She asked if the tester remembered an “annoying” television commercial from a local store, and said she used to work at that store. She then invited the tester to accompany her to a break room in the back of the store, where she sat with her and conducted an interview. At the close of the interview, Cathy told the tester that she would “fit in perfectly” with their store, and offered her a job as a sales associate at \$10 per hour. Cathy said she saw the tester in a sales associate position for “a couple months,” and then planned to train her for a sales management position.

Meanwhile, when the Black tester had not heard back from the employer after 3 days, she called and asked for Karen, who came to the phone. The tester explained that she’d completed an application and spoken with Cathy, who had told her that an interview with Karen was the next step. Karen replied that she was “curious about what was said” between the tester and Cathy because “anyone can interview” applicants. A week after the initial visit, the tester did finally interview with Karen and, after 2 of her references were called, was offered a sales associate position at \$9.50 per hour – 11 days after the White tester had received her \$10-per-hour job offer and turned it down.

The Interview

After submitting their applications, Blacks and Whites on average had similar experiences in moving through the hiring process:

- Blacks and Whites were granted interviews at similar rates and underwent a similar number of interviews per employer.

- Blacks and Whites initiated and received a similar number of follow-up calls, and had a similar number of employment and character references called by the employer.

While the process was similar, comparison of the content of the interviews suggested differential attention to the qualifications of Black and White applicants by the interviewers, who were themselves predominantly White (87%) and female (75%):

- Blacks were asked questions about their general motivations to a greater extent than were White applicants, including what brought them to the employer, why they wanted the job, and why they had left their previous place of employment (Table 5).
- Blacks were asked more questions about their work habits, including their strengths and weaknesses, their punctuality and absenteeism, and their ability to get along with both supervisors and coworkers (Table 5).

Table 5: Questions Asked About Qualifications

Numbers indicate the percentage of interviews in which that subject was raised (e.g., in 58% of the interviews Black testers had during the course of the study, the interviewer asked what brought them to that company).

Subjects Interviewer Raised	With Black	With White
• What brought you to this company	58%	45%
• Why you want this job.....	40%	25%
• Why you left previous job.....	28%	17%
• Your strengths/weaknesses.....	26%	15%
• Punctuality/absenteeism.....	18%	4%
• How you got along with previous supervisors	19%	6%
• How you got along with previous coworkers	21%	8%
• Previous job duties	68%	43%
• Personal qualities/goals.....	37%	30%
• Skills and training	33%	38%
• Relevant experience	74%	72%
• References	21%	21%
• Transportation/travel time	48%	51%
• Marital status/children.....	4%	6%

- Employers said more to Blacks than to Whites about the qualities they sought in a candidate for the available position, as well the duties, skills, and experience required (Table 6).

Table 6: Information Offered About Job

Information Offered	To Black	To White
• Qualities employer seeks	61%	34%
• Duties of available job	77%	55%
• Skills/experience required	44%	32%
• Pay applicant can expect	64%	43%
• Job location	63%	60%
• Number of hours per week	65%	62%
• Benefits	44%	43%
• Shift/schedule	42%	45%
• Overtime	18%	21%

The concern about “soft skills” is consistent with other studies suggesting that employers are skeptical about the motivations, work habits, and interpersonal skills of Blacks (Kirschenman and Neckerman, 1991; Moss and Tilly, 1995), and more apt to assess Blacks’ “soft skills” through the prism of racial biases and stereotypes (Moss and Tilly, 2001). On the other hand, there was little difference in the extent to which employers asked about a range of other issues less directly related to “soft skills,” for example, hard skills and training, relevant experience, health, or marital status.

The experience of a tester team that interviewed with a national retail home furnishings chain illustrates how, even within a fairly standardized hiring process, attitudes held by a key decision-maker affected the interview content, and subsequent outcome, for Black and White job-seekers.

Both testers applied on the same Friday afternoon, the Black tester first, followed an hour later by her White partner. Both were given applications, which they completed and returned along with their resumes. The Black tester’s resume showed her to have 9 months more sales experience than her White counterpart, the last year-plus as a lead sales associate with management duties her partner hadn’t had, including supervising, training, and scheduling new employees, and assisting the manager with bookkeeping. Her resume also listed 2 merit pay increases and a customer service award, distinctions that her partner’s resume lacked. Both testers were given an Opinion Test, consisting of 100 statements about honesty, stealing, drug

and alcohol use, work ethic and character, each of which the applicant was to number from 1 (strongly agree) to 10 (strongly disagree). Both testers were then interviewed by Jessica, the store manager.

In their interviews, both testers were asked to talk about the last store where they had worked, what they liked about it, and how many customers they served in a given day. Both were asked to talk about what constituted good customer service. Both testers provided well-practiced answers of similar depth and quality. But then the interviews diverged.

With the Black tester, Jessica shifted into a line of questioning that reflected concerns about the tester’s performance and interpersonal skills. She asked what the tester’s former manager would say she needed to improve upon. She asked what the tester would do if a customer claimed that an item she had purchased was defective and wanted to return it. She followed this question with a lecture about how customers can arrive at the store “very upset,” and store staff really have to “make that call” quickly about what merchandise they will take back. Jessica asked if the tester’s former manager would watch over her as she performed tasks or “throw” her out there to try it on her own. She asked if the tester would be willing to come in and work extra days when another employee called in sick. She asked how the tester had heard about the company. Then Jessica told the tester that she had several more interviews to conduct, and would call her the following Tuesday.

While the Black tester’s interview had gone off into a series of questions focused on her work habits and her ability to meet employer expectations, the White tester’s interview turned into a sales pitch for the job and the company. The questions Jessica asked invited the tester to offer answers that apparently told Jessica what she wanted to hear, making the White tester seem like a perfect fit for the job. Jessica asked if product knowledge had been an important part of the tester’s duties in previous jobs. When the tester said yes and then described how, Jessica told her that product knowledge was an extremely important part of the job at this company, and went on to describe the variety of products, materials, and suppliers the company used from all over the world. She took the tester under her wing, telling her about her own experience with the company and advising her that the way to move up was to be willing to change stores as needed. She told the tester it was “very impressive” to have the mall where this store was located on one’s resume. She said the company wanted to hire “people who want careers,” and told the tester that she was considering her for Third Key, an entry-level management position. She asked the tester if she’d like to know about salary and benefits, and then described the pay system and benefits for each level position at the company. She told the tester that she would call her by the following Tuesday.

On Monday, Jessica called the White tester and offered her the Third Key position. On Tuesday, the tester turned the job down. On Wednesday, after having not heard from Jessica on Tuesday as she had been told she would, the Black tester called Jessica to follow up on her interview. She was then offered the Third Key position.

Job Offers

Overall, as Table 7 indicates, the outcome of the hiring process reflected a willingness on the part of many employers in our study, particularly larger employers with more formalized hiring procedures, to give similar consideration to Black and White testers:

- More than half of the employers tested offered jobs to both the Black and the White tester.
- On average, the offers extended to Black and White testers were similar in the level of the position and the rate of pay.

This is good news, even when considered within the context of factors that undoubtedly contributed to this result: the strong demand for employees that existed during the period when the in-person tests were conducted, and the study design in which employers were presented with well-qualified candidates who had no barriers to employment.

Table 7: Job Offer Results

	Black Tester	White Tester
• Interviews per test	2	2
• Phone calls per test	8	8
• References contacted per test	0.4	0.4
• Time between initial visit and offer (days)	18	16
• Rate of job offers (%)	70	81
• Received job offer when partner did not (%)	7	17
• Hours per week offered	28	36
• Rate of full-time job offers (%)	76	81
• Total offers per test (includes multiple offers from same employer)	0.8	0.9
• Offered choice of 2 jobs (%)	2	5
• Offered higher compensation than partner (%) ¹⁰	36	33
• Offered more responsible position than partner (%)	24	24

¹⁰ In assessing the significance of this piece of data, it is helpful to consider the following: in 10 years of testing, we have observed that, when an employer is negotiable on pay rate, the rate offered is generally based upon what the tester says she made at her last job. In this study, the Black tester always reported making slightly more (about \$.25 more per hour) at her last job than her White partner.

Even so, Table 7 also shows that there were notable differences in the number and quality of the offers, a fact that is particularly disturbing given that the Black testers always presented stronger credentials than their White partners:

- Across all interviews, Whites received job offers 81% of the time, while Blacks received offers 70% of the time.
- Across all interviews, Whites were more likely to get offers when Blacks did not (17%), compared to Blacks getting offers when Whites did not (7%).
- When the job offered was framed in hours per week, Whites were offered an average of 36 hours per week, while Blacks were offered 28 hours per week.
- When the job was framed as full- or part-time, Whites were offered a full-time job 81% of the time, whereas Blacks were offered a full-time job 76% of the time.
- After turning down the job offer, Whites were called back and offered a higher-paying management-track position, or an opportunity to be considered for such a position, by 8 employers, while only 2 employers offered such opportunities to Blacks.

- In all 7 cases in which blatant discrimination (Whites got offers; Blacks did not) or a clear preference for the White (better pay and/or position offered, job offer made faster) was confirmed by a second test (see Appendix 5), the employer lacked a consistent hiring process with established steps, and the responsibility for interviewing and hiring rested largely with 1 person.

Although there was little overall difference in the type of job or the wage offered, the fewer hours offered to Blacks is significant, given that wages in the retail sector are relatively low (the average wage offered to testers in our study was \$8.86 per hour). At this rate, Blacks in our study would earn on average less than \$13,000 a year, nearly \$4,000 below their White counterparts and only about \$4,000 above the federal poverty guidelines (\$8,980 for a family of one). (U.S. Dept. of Health & Human Services, 2003.)

One tester pair’s progress through the hiring process of a large retail department store illustrates how standardized procedures and shared decision-making authority can act as a check on individual attitudes and perceptions, helping Blacks and Whites receive equal consideration for available jobs.

The testers applied on the same day, the Black tester first, followed an hour later by her White partner. Staff at the service desk gave them applications to complete, and then told them that their applications and resumes would be forwarded to the human resources department. Each tester called several days later to follow up on her application, and was connected with a human resources employee named Jane. Jane reviewed each tester’s resume with her over the phone, and then scheduled interviews with herself and the manager of a department that sold products similar to what the tester had sold before.

As each tester arrived for her scheduled appointment, Jane conducted similar interviews, although there were some differences in content. With the Black tester, Jane noted that she had “impressive experience,” and then proceeded to ask her a series of apparently scripted questions that she said the company used to learn about an applicant. She asked the tester to talk about her favorite teacher in school, a “difficult customer” she had dealt with, and a “difficult decision” she had made. She asked her what she looked for in a job, what her former employer and fellow employees at her last job would say about her, why she wanted to work for this

company, and why Jane should hire her. With the White tester, Jane was less scripted, and focused her questions mostly on what the tester had done at her last job.

Toward the end of both testers’ interviews, Jane described the company dress code, employee benefits, and the Store Manager in Training program. She told both testers they were qualified for a Lead Sales Associate position, and took them to meet the managers of comparable departments in women’s clothing. After brief interviews centered on previous sales experience, each manager left to consult with Jane, and then returned to offer the tester a Lead Sales Associate position at \$10 per hour, the Black tester in the Misses Department and the White tester in Ladies’ Sportswear.

- In the above example, the differences in interview content may well reflect Jane’s concern about the Black tester’s interpersonal skills and motivation, and her greater comfort level with the White tester. However, having the scripted interview questions to fall back on appears to have given Jane a framework within which she could gather relevant information about the Black tester despite those concerns. Further, the overall structure of the process she had been trained to carry out, and the fact that she shared the hiring decision with another manager, helped control for individual
- favoritism based on race, and kept the process focused on each tester’s actual experience and skills.

In contrast, another tester team’s experience at a small shoe store shows the discriminatory outcomes that can occur in a more haphazard hiring process controlled by one person’s whims.

Both testers applied on the same day, the Black tester first, followed an hour and a half later by her White partner. Both met Leonard, the store manager, who gave them applications to complete, accepted their resumes, and then sat them down in the store and talked with them in between serving customers. He asked both testers about their previous jobs and why they left. Then he told them about the available position, but in quite different terms.

He gave the Black tester a lecture about the attributes necessary for “the success of an employee,” such as “personal aggressiveness and attitude” and “customer interaction.”

He told her that he was accepting applications now, and the chosen applicant would be called in for a second interview within the next week.

In contrast, he talked to the White tester almost as though he had already offered her the job, telling her that a big part of her job would be selling, which he said she would be used to since retail shoes and retail clothes (her previous job) were very similar. He outlined specific job duties, schedules and employee benefits. He told her he would go into more depth in the second interview.

A week later, the Black tester called Leonard to follow up, and he told her he was still interviewing and had not made a decision. When the White tester called him the next day, he said he had been very busy but would like her to come in for a second interview. When she arrived for the interview, Leonard took her to a nearby coffee shop, where he reviewed the job duties and schedule, and explained the employee benefit plan and commission system in detail. Then he offered her the job. She called the following day and declined the offer.

On the day after that, the Black tester called again to follow up on her application and initial interview. Leonard told her that he had extended the interviewing process, and would call her. He never did.

In a second test conducted by another pair, the above scenario was repeated almost to the detail. When the Black tester made her second follow-up call, after the White tester had turned her job offer down, Leonard told the Black tester he would need phone numbers of 3 references, 2 of whom had to be former supervisors. She gave him the numbers, but her references were never called.

Beyond setting up shared authority over hiring decisions to act as a check on the biases of individual Whites, having more Blacks in decision-making positions may also help equalize access for Black job-seekers, as another experience illustrates:

A Black tester was sitting on a bench in a mall, completing an application for an employer we were testing. A Black woman approached her, commented on her professional appearance, and asked her if she had management experience. When the tester said she did, the woman told her she was a manager at a women’s apparel store nearby, and invited her to come in and apply for a sales position. The tester did so, went through the interview process, and was offered a sales associate position. We then sent her White partner, who didn’t have the Black tester’s management experience, to apply after her. The White tester went through the interview process and was offered a cashier position at a lower pay rate.

One final word about formal and informal hiring processes. We did not set out to study the effect of one form of process over the other. In fact, we did not set out to study large vs. small retail firms – rather, the large firms in the major shopping malls advertised most of the openings we saw in the January-September 1, 2001 time period. Nonetheless, examples like the ones described above are consistent with literature suggesting that more Blacks are hired when the hiring process is formalized than when the decision depends on a single decision maker’s “gut instincts.” (Moss and Tilly, 2001.)

CUSTOMER SERVICE TESTS



In the customer service tests, pairs of testers, 1 Black and 1 White, were sent to shop at the retail stores where in-person employment tests had been conducted.

We hired 3 teams of female testers, all personable professionals in their mid-20s to mid-30s who enjoyed shopping and shopped regularly. We used women for the customer service testing to keep the gender variable constant across the 3 phases of the study. We trained the testers to follow the same procedures in each store, to behave similarly as customers, and to observe and report their experiences in writing. Testers visited each test site separately, and were instructed not to discuss their test experiences with one another during the course of the study.

Over a 3-month period (January - March 2002), the testers conducted customer service tests at 61 of the 80 retailers whose hiring processes were tested in person, omitting those where employment tests were incomplete and where stores had since closed. Half the time the Black tester went first, and half the time the White tester went first, following the same procedure in each store. They entered, browsed for several minutes, and then engaged in a series of activities to ensure interaction with store employees. If it was a clothing or shoe store, they tried on 2 articles of clothing or pairs of shoes. They asked for help in finding a product that appeared not to be in stock. Then they purchased an item that cost \$20 to \$25. They returned to the store later the same day, said they'd found a more suitable item elsewhere, and sought to return their purchase and obtain a refund.

The first tester in a team visited the store on either Saturday or Sunday, between 12 and 4 p.m. They tested several stores in a given mall, returning to each later the same day to return the items they had purchased. Then their test partner visited the same stores the following weekend, during the same time period on the same day of the week.

We wanted to examine the relationship between access to jobs and access to services because some employers say they

are reluctant to hire minorities because of a perceived lack of skills, especially in face-to-face interactions with White customers. (Holzer and Ihlanfeldt, 1996.) By testing the same retail stores for both types of access, we sought to explore not only the connection between hiring discrimination and discriminatory treatment of customers, but also the relationship between the racial makeup of a business's workforce and its clientele; the manner in which employer prejudices and the prejudices they presume their customers hold factor into workplace interactions from hiring to customer service; and the effect these prejudices have on Black job-seekers, who presumably are less likely to apply for jobs in stores where they feel unwelcome as customers.

Results. In the stores and malls the testers visited, the racial makeup of the employees mirrored that of the customers. Testers reported that 80% of the employees and customers were White, and only 3% to 5% were Black.

Overall, both Black and White testers received similar treatment and levels of service in the stores they visited, and we saw no examples of blatant discrimination. But there were significant differences in the treatment Blacks and Whites received when they sought to return the items they had purchased. While all the testers were able to make returns and get their money back, Black testers regularly underwent more scrutiny:

- Blacks were asked 48% of the time why they wanted to return the item, while Whites were asked that question only 17% of the time.
- Whites were offered help in finding a more satisfactory item 11% of the time, while Blacks were offered the same type of assistance only 4% of the time.

- Employees sought a supervisor's authorization for the return about equally for Blacks and Whites. But oral authorization was sufficient for Whites 67% of the time, whereas for Blacks it sufficed only 17% of the time. The supervisor took over and completed the transaction for the Black testers 83% of the time.

An illustration of the different way returns were handled for Black and White shoppers is the following:

A tester team shopped in the same department of a major national department store. They each purchased items with cash, and then came back later the same day to return them. The Black tester was asked why she wanted to return her item. When she explained that she had found something at another store that worked better for her, the sales person made no response. Then she took the item, asked the tester for her driver's license, and asked the tester to fill in her name and address on a return form. She then told the tester that she did not have any change in her cash register, and the tester would have to go to the Customer Service Department, 2 floors down, to get her refund.

When the White tester came back to return her item, a sales person approached her, asked her if she had been helped, and when the tester said she wanted to return something, said, "Follow me and I can help you over here." She looked at the tester's receipt and, noticing that the item had been purchased that same day, told her she could just void the purchase from the sales register where it had been rung up. She took the tester to the appropriate register, asked her no questions, and gave her a full cash refund on the spot.

Comparison of the results of the employment tests and the customer service tests did not show any correlation between hiring discrimination and discriminatory treatment of customers. For the most part, the employers who subjected Blacks to more scrutiny when they sought to return a purchase were not those who showed the strongest preferences for the White testers as job applicants. It would take a larger sample size to allow us to say anything, one way or the other, about whether employers who show preferential treatment to White job applicants are more likely to express preferences for White customers as well.

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CONCLUSIONS AND RECOMMENDATIONS



Our study tested access to jobs a step above retail sales associate positions. We wanted to see whether Black women could get a fair shot at entry-level management jobs, which pay better, have better prospects for advancement, and involve more “soft skills” than sales associate jobs. These jobs can be the “gateway” jobs that lead to careers and provide real economic security for families.

They are also jobs that tend to have a multi-step hiring process, and in some cases (particularly if the employer is large) a formal process that takes applicants through those steps in an orderly way. We expected our in-person tests to show us, in much more detail than we have seen in the past, how employers and applicants interact. That expectation was fulfilled: the anecdotal and statistical information we gathered allows for a fuller analysis of the role race plays than was possible in previous studies.

On the central question of what role race plays in hiring for entry-level management jobs in retail firms, we found that applications by mail yield a significantly lower rate of return for Blacks than for Whites. Our study suggested that employers paid attention to skill levels, but did not suggest that skills were valued differently for Black and White applicants. A similar study with larger variations in qualifications has shown that having a higher quality resume does not help Blacks nearly as much as it does Whites. (Bertrand and Mullainathan, 2002.)

Blacks in our study did better when they applied for a job in person, though not as well as they ought to have done considering that the Black in-person applicants always applied first and always had stronger job-related credentials

than their White counterparts. We saw very few instances of the classic “door-closing” discrimination that Blacks have encountered so often in the past. But we did see Blacks getting fewer offers than Whites (70% to 81%) and, where Blacks and Whites both got offers, Blacks being offered fewer hours of work (28 hours for Blacks vs. 36 hours for Whites).

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Our study also laid bare the effect of more subtle forms of racial preference, even in cases where the Black might ultimately receive a job offer. For example, Blacks were asked more confrontational questions and subjected to higher scrutiny in the interview process than Whites were. Blacks had to work harder to keep themselves under active consideration by employers than Whites did. We saw Black applicants getting offers only after their White partners turned offers down. We saw employers making more of an effort to “sell” White applicants on jobs, and coming back with a second, better offer to White applicants more often than to Blacks. These interactions mean that a hiring process can be discriminatory in its operation, even if the employer eventually makes a job offer to both the Black and the White applicants.

Similarly, in our customer service tests, both Black and White shoppers reported receiving similar levels of service in stores where almost no customers and no salespeople were Black, and both Blacks and Whites were able to return the items they purchased for full refunds. But Whites were questioned less about why they wanted to make the return, and offered more help in finding another item. And Whites were given refunds more readily, while supervisors were often called in to approve and complete the refund transaction for Blacks.

Although our study did not formally test the differential impact of formal vs. informal hiring processes, the narratives from the in-person tests contain some indications that increased frequency of applicant-employer contact, greater numbers of personnel involved in the hiring decision, and participation by Black managers all reduce bias based on racial stereotypes.

The study suggests a number of practical steps people can take to make equal access to good jobs a reality:

- Use testing, as a formal or informal tool of civil rights enforcement, where a particular hiring decision appears to be the result of racial discrimination. Bring the test results to enforcement agencies, and publicize them.
- Encourage employers to implement formal hiring processes, with multiple steps, standardized interview questions, and shared decision-making, to minimize the effect of any one individual’s racial preferences.
- Encourage employers to adopt and maintain programs to bring Blacks into the hiring process as decision-makers.
- Encourage employers to use testing as an internal quality-control tool to see if staff is implementing the hiring procedure as designed.
- Commit resources to, and offer economic incentives for, diversity training. In that training, use examples from actual tests to illustrate how bias and ethnocentricity can affect the hiring process, and how staff can be given tools and techniques to make the process more objective and fair.

- Foster and support collaborations between social scientists and testing entities, and use testing to isolate and illuminate the role of any desired variable in hiring. Publicize the results of these collaborations.
- Make sure that policymakers charged with addressing “skills and spatial mismatches” also attend to issues of racial discrimination and racial preference when they design job training programs, job referral services, transportation networks, and the like.

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APPENDIX 1

Chicago Suburbs Tested (All Methods)

Rank	Suburb	No. Employers Tested by Mail	No. Employers Tested in-Person	No. Customer Service Tests
1.....	Schaumburg.....	54.....	18.....	15.....
2.....	Naperville (Aurora)	17	5	2.....
3.....	Oak Brook.....	17	9	9.....
4.....	Orland Park	8	4	2.....
5.....	Niles.....	10	5	4.....
6.....	Arlington Heights.....	14	2	2.....
7.....	Skokie	17	11	8.....
8.....	Lombard.....	16	10	8.....
9.....	Northbrook	7	6	5.....
10.....	Mt. Prospect	5	3	3.....
11.....	Oak Lawn (Chicago Ridge)	2	3	2.....
12.....	Bloomingtondale	21	3	1.....
13.....	Hoffman Estates	1	0.....	0.....
14.....	Downers Grove.....	5	0.....	0.....
15.....	Rosemont	0	0.....	0.....
16.....	St. Charles	3.....	0.....	0.....
17.....	Vernon Hills.....	8.....	0.....	0.....
18.....	Palatine.....	3.....	0.....	0.....
19.....	Des Plaines.....	3.....	0.....	0.....
20.....	Elmhurst	3.....	0.....	0.....
	Chicago	31.....	0.....	0.....
	Region-wide Hiring Process	28	1	0.....

Application 1

Cover letter

[Date]

[Address]

Dear Human Resources Manager:

Please regard this letter and resume as an application for a retail management position with your company.

I have more than five years of retail experience, and for the last two-and-a-half years have assumed management duties. As a Lead Sales Associate at [Store A], I opened and closed the store and supervised my department's sales team. Since being promoted to this position in 1998, I have earned two merit increases for my skills in managing people and providing excellent customer service. I am also the recipient of the 1999 Customer Service Award. I am familiar with handling cash, managing inventory, displaying merchandise, and other activities necessary to keeping a retail store running smoothly. In addition, I have received training in profit and loss reporting. I am an organized, career-motivated professional with a positive attitude and a track record of success.

I would very much like to meet with you to discuss the many ways my skills and experience could complement your management staff. I appreciate your consideration of my credentials. Please call me at (312) 922-0541 at your convenience.

Yours Truly,

Application 1

Resume

EMPLOYMENT HISTORY

Lead Sales Associate, Men's Better Sportswear, [Store A]
May 1998 - November 2000

Opened and closed store. Supervised sales team. Arranged schedules and trained new sales staff. Assisted customers in selecting men's sportswear and accessories. Coordinated sales promotions with other departments. Performed cash and credit card transactions, and balanced out cash receipts. Made deposits at cash office. Monitored and helped order inventory. Received training in profit and loss reporting. Assisted management in generating weekly sales productivity reports. Earned two merit increases for management and customer service. Recipient of 1999 Customer Service Award.

Sales Associate, Luggage, [Store A]
December 1997 - May 1998

Assisted customers in selecting luggage to fit their travel needs. Assembled merchandise displays and maintained floor stock. Assisted in taking inventory. Performed cash and credit card transactions, and balanced out cash receipts. Monitored and helped order inventory. Earned merit increase for customer service.

Sales Associate, [Store B]
June 1995 - December 1997

Assisted customers in purchasing a variety of home furnishings. Sold rugs, wall decor and home office furniture. Staffed customer service desk. Performed cash and credit card transactions. Balanced out cash receipts nightly. Unpacked merchandise and stocked shelves.

EDUCATION

Jefferson High School
Indianapolis, IN
Class of 1995

(continued)

Application 2

Cover letter

[Date]

[Address]

Dear Personnel Manager:

Five years of retail experience in positions of increasing responsibility have prepared me to step into a management position with your company.

During my time at [Store A], I was promoted to Senior Sales Associate, with responsibilities for training and supervising three junior sales associates. In this position, I also developed solid knowledge of store operations, from inventory maintenance to loss prevention.

Through selling an array of products, from furniture to small appliances to men's apparel, I have learned a great deal about merchandising and seasonal promotions.

I am very interested in discussing employment opportunities with you, and how my skills and qualifications can best meet your needs. Thank you for your consideration. I can be reached at (773) 384-6055. I look forward to talking with you.

Sincerely,

Application 2

Resume

OBJECTIVE:

A retail management position that will allow me to develop my demonstrated skills in managing personnel and store operations with opportunities for increasing responsibility based on performance.

EXPERIENCE:

[STORE A]
SENIOR SALES ASSOCIATE, November, 1998 to November, 2000

Sold men's apparel and accessories. Supervised three junior sales associates. Trained new staff. Supervised employees in ticketing and displaying new merchandise. Arranged tailoring services. Tracked down and ordered special items for customers. Stocked and displayed merchandise. Conducted inventory. Processed credit applications.

SALES ASSOCIATE, October, 1997 to November, 1998

Sold small appliances and housewares. Handled special orders and returns. Stocked and displayed merchandise. Helped conduct inventory. Attended seminars to learn about new merchandise.

[STORE B]
SALES CLERK, July, 1995 to October, 1997

Worked sales floor in barware, furniture, and bath departments. Priced merchandise, stocked shelves, and set up product displays. Rang up customer purchases and balanced cash register. Screened walk-in applicants for sales positions. Handled customer returns.

EDUCATION:

McKinley High School, September, 1991 to June, 1995
Minneapolis, Minnesota

Application 3
Cover letter

[Date]

[Address]

To the Hiring Manager:

I am interested in applying for a Retail Management position with your company. I have several years of experience working in the retail field, selling women’s clothing, small electronics, and home furnishings. In addition to selling, I also helped set up displays, take inventory, and handle money. I believe my experience opening and closing the floor at [Store A], and helping to train new sales staff, has prepared me for entry into management.

I feel I would be an excellent candidate for any management opportunities you have available. I look forward to your call.

Respectfully,

Application 3
Resume

WORK EXPERIENCE

[STORE A]

10/99 - 4/01

Sales Associate:

Helped customers in young women’s department. Received cash, check and charge payments, and balanced register at end of shift. Processed customer returns. Received training in merchandise placement and display, and in ordering new stock. Assisted store manager with setting up displays and taking inventory. Helped train new sales people. Opened and closed floor in manager’s absence.

4/98 - 10/99

Sales Associate:

Helped customers in small electronics department. Received cash, check and charge payments, and balanced register at end of shift. Processed returns and exchanges. Received training in store policies and procedures, customer service, taking inventory and store security.

[STORE B]

8/97 - 3/98

Sales Clerk:

Sold furniture and miscellaneous items for the home. Received cash, check and charge payments, and balanced register at end of shift. Stocked merchandise. Packaged customer purchases for delivery.

EDUCATION

1993-1997

Silverton High School.
Cincinnati, OH.

REFERENCES

Upon request.

Analysis of Resume Data: Measures of Discrimination and Their Statistical Evaluation

For the analysis reported herein, we analyzed dependent measures based on dichotomous choice alternatives (e.g., the applicant was contacted/not contacted for an interview) and graded responses (e.g., the number of times an applicant was contacted by an employer: one, two, three, or more times).

Dichotomous response data. In order to test for evidence of discrimination on these types of dependent measures, we first compared the frequencies with which White and Black applicants were treated differently by the same employer. That is, we considered the cases in which the White applicant received a favorable response while the Black applicant did not (outcome₁); and compared them to those instances where the Black applicant received a favorable response and the White applicant did not (outcome₂). Using a McNemar ² Test, we then examined whether the observed frequencies for the 2 outcomes differed reliably from chance levels where both would occur with equal probability. Such a test for departures from symmetry in employer responses allowed us to separate the effects of applicant race on outcomes from other extraneous factors that influence outcomes for both the White and the Black applicant. (Heckman and Siegelman, 1993.)

In addition to the tests of symmetry, we also performed logistic regression analyses that considered the odds that a White and a Black applicant were treated differently, controlling for the skill level of the applicant (Application 1, 2, or 3) and the firm’s location (Chicago vs. suburban communities). These analyses also considered the independent effects of skill level and firm location on each outcome, and tested for the presence of an interaction effect between race and skill level and race and firm location. The standard errors of each logistic regression were adjusted to account for non-independence of employer responses to the White and the Black applicant. None of the interactions were significant, nor was the main effect of employer location, and therefore those results are not discussed in the text. The fact that there are no observable effects of employer location on any of the outcomes suggests that Chicago employers were not responding

differently from suburban employers to the applications, despite the greater racial heterogeneity of Chicago and the fact that all Chicago firms were contacted near the end of the data collection effort.

Graded response data. For graded responses, we performed Ordinary Least Squares (OLS) regressions to determine whether White and Black applicants were treated differently by employers, again controlling for skill level and firm location. These analyses also considered the effects of skill level and applicant race and employer location. As with the logistic regressions, the standard errors of each OLS regression were adjusted to account for non-independence of employer responses to the White and the Black applicant. Again, there were no significant associations between the interactions and the outcomes of interest, nor was there evidence of any main effects for employer location.

Black Tester No. 1

[Name]
OBJECTIVE
To pursue a position in the retail industry that will enable career growth and development.
EXPERIENCE
Oct. 1998 - Jan. 2001 Ali's Nashua, NH <i>Senior Sales Associate</i>
Assisted customers in a contemporary women's clothing store. Recipient of Customer Satisfaction Award (December 1999). Promoted to Senior Sales Associate after 9 months of quality job performance. Assumed managerial duties including training new hires and creating staff schedules. Trained in inventory control. Responsible for meeting sales goals, handling transactions and balancing the register.
June 1997 - Oct. 1998 Nouveau Nashua, NH <i>Sales Associate</i>
Greeted customers at an independently-owned music store and helped them with music selections. Staffed the special orders/information counter. Worked the register and processed transactions. Unloaded shipments and stocked latest releases. Received raise based on job performance.
July 1996 - June 1997 Granite State Bank Nashua, NH <i>Bank Teller</i>
Provided information on bank services and products. Performed account maintenance. Approved to handle cash amounts up to \$10,000. Received manager recognition for accurate processing of transactions.
Aug. 1993 - July 1996 Shea's Supermarkets Nashua, NH <i>Cashier</i>
Packed groceries, processed orders, and handled customer transactions efficiently. Provided quality customer service by adhering to store policies. Responsible for cart retrieval from the parking lot.
EDUCATION
1992 - 1996 Nashua Senior High School Nashua, NH
Graduated with Honors.
[Address] [Phone]

White Tester No. 1

[Name]	[Address] [Phone]
Objective	
A rewarding career in retail that builds upon my previous experience.	
Employment	
Betsy McClain <i>Sales Associate</i>	January 1999 - February 2001 <i>Champaign, IL</i>
<ul style="list-style-type: none">Sold women's casual and business apparel.Maintained floor, fitting room and merchandise appearance.Sensored, steamed, stocked and displayed inventory.Received training in new associate orientation, loss prevention, register sales and returns.	
Cargo <i>Sales Associate</i>	March 1998 -December 1998 <i>Urbana, IL</i>
<ul style="list-style-type: none">Sold home furnishings and accessories .Maintained floor and merchandise appearance.Cleaned, priced and displayed inventory.Received training in register sales, customer service and loss prevention.	
The Office <i>Server</i>	June 1996 -March 1998 <i>Glen Ellyn, IL</i>
<ul style="list-style-type: none">Server at a local, fast-paced bar and grill.Helped train new servers.Seated customers, served food and drink orders, bussed tables.Handled cash, check or credit card tabs with personal server bank.	
Education	
Glenbard South High School	1992 - 1996 <i>Glen Ellyn, IL</i>

(continued)

Black Tester No. 2

[Name]	
[Address] [Phone]	
EMPLOYMENT	
Lead Sales Associate Mar. 1999 - Jan. 2001 <i>The Silver Slipper Tallahassee, FL</i>	
<ul style="list-style-type: none">Sold women's formal footwear, accessories, scarves, handbags, and jewelryPromoted to Lead Sales Associate in September 1999Supervised, trained and scheduled new employeesOpened and closed storeMonitored inventory and stock roomsAssisted store manager in tracking sales and doing weekly bookkeepingReceived Secret Shopper Award 2000	
Sales Associate Sept. 1997 - Feb. 1999 <i>ZOE Tallahassee, FL</i>	
<ul style="list-style-type: none">Sold clothing and accessories at a women's boutiqueWorked on cash register and handled return purchasesMonitored dressing rooms and organized merchandise on tables and racksAssisted with monthly inventory and set up window and floor displaysReceived two merit increases	
Customer Service Representative Sept. 1995 - Aug. 1997 <i>Vista One Management Company Tallahassee, FL</i>	
<ul style="list-style-type: none">Assisted customers at a fringe benefits management companyAnswered all incoming calls and complaintsKept customers updated on their benefits and insurance planPresented progress reports at company meetingsPromoted to Team LeaderCustomer Service Representative of the Year 1997	
Cashier May 1991 - Aug. 1995 <i>Vincore Video Harvey, IL</i>	
<ul style="list-style-type: none">Kept track of all video rentals, and checked them in and out of storeOperated cash registerSet up promotional displaysPresented progress reports at company meetingsPromoted to Team LeaderCleaned and closed store at the end of the nightRewound and cleaned all tapes	
EDUCATION	
High School Degree Aug. 1991- May 1995 <i>Marian Catholic High School Chicago Heights, IL</i>	
Honor Roll, Brownie Troop Leader	

White Tester No. 2

[Name] [Address] [Phone]	
OBJECTIVE	
To sell for a company whose product I feel proud to represent.	
EMPLOYMENT	
SALES ASSOCIATE JANUARY 2000 - JANUARY 2001 Serenity Pittsburgh, PA	
Sold clothing, accessories and shoes at upscale women's apparel store. Helped open and close store. Handled cash, check and credit transactions. Took monthly inventory. Designed window displays. Tracked weekly sales.	
SALES ASSOCIATE JUNE 1998 - DECEMBER 1999 Mango Pittsburgh, PA	
Sold cosmetics, skin care and custom fragrance at bath and beauty supply store. Kept track of weekly sales record. Handled cash, check and credit transactions. Gained extensive knowledge of products and selling techniques.	
RECEPTIONIST JANUARY 1996 - MAY 1998 Liberty Planning, Inc. Pittsburgh, PA	
Answered three phone lines for convention planning firm. Took down and provided information to current and potential customers. Took payments over telephone and in person. Acted as initial company representative to new customers.	
EDUCATION	
TAYLOR ALLDERDICE HIGH SCHOOL Pittsburgh, PA Graduated 1996	

Results of Second Test When First Test Favored White Tester

Outcome of First Test	No. of Tests	Outcome of Second Test	No. of Tests
White got offer; Black got no offer	9	Discriminatory hiring pattern confirmed: White got offer; Black got no offer	3
		Strong preference for White confirmed: Black offered job only after White turned it down (1 day later, 38 days later, 62 days later)	3
		Both got offer	1
		Neither got offer	1
		Job no longer available	1
White got better offer (pay rate and/or position)	5	Discriminatory hiring pattern confirmed: White got offer; Black got no offer	1
		Both got offer	1
		Neither got offer	1
		Job no longer available	1
		Reference check problem (test stopped)	1



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